

building blocks



February 2006

The online newsletter of the Michigan State Housing Development Authority
Vol. 2, issue 1

MSHDA Announces \$4 Million to Help Homeless Survivors of Domestic Violence

MSHDA has approved \$4 million to create supportive housing for homeless survivors of domestic violence.

"This Domestic Violence Housing Initiative will be among the first of its kind in the nation to provide supportive housing to homeless domestic violence survivors," Governor Jennifer Granholm said. "Through this collaboration of state agencies, local governments, and service providers,

we can create permanent supportive housing programs that will meet the needs of survivors of domestic violence, and ultimately provide them with opportunities to become re-engaged with their community in a positive way."

Through the Domestic Violence Housing Initiative, a partnership made up of the Department of Human Services (DHS), the Michigan Domestic Violence Prevention and Treatment Board (MDVPTB), the Michigan Coalition Against Domestic and Sexual Violence (MSADSV), and MSHDA, project proposals will be requested from domestic violence service providers around the state. Successful applicants will receive awards ranging from \$250,000 to \$1 million for project implementation.

According to DHS director Marianne Udow, domestic violence is one of the leading causes of homelessness nationally, with approximately 90 percent of homeless mothers experiencing physical or sexual assault in their lifetimes.

"In 2004, over 6,000 women and nearly 7,000 children experienced shelter stays in Michigan," Udow said. "From the available

Continued on Page 8



Possibly the most famous factory in history, the Henry Ford's Model T Automobile Plant in Highland Park is expected to be revitalized for the benefit of the city's citizens.

Cities of Promise Initiative Provides Hope to State's Most Vulnerable Cities

Great things can happen when we choose to focus our attention on a common goal. If you believe this is true, then Governor Granholm's new initiative dubbed Cities of Promise will be a source of great hope for some of Michigan's most vulnerable cities.

Continued on Page 7



Approximately 90 percent of homeless mothers experience physical or sexual assault in their lifetime.

We Build Community and Improve Lives — It's the Right Thing to Do

My first year as executive director of the Michigan State Housing Development Authority has been a fulfilling one as well as a valuable learning experience. One thing is for certain—no matter where a person or family hails from, there should be a place in every community for everyone; and affordability is the foundation upon which to build a safe, decent dwelling for every single person throughout the state of Michigan.

Though affordability and the ending of homelessness have been at the heart of our efforts, many of the Authority's achievements during my first year as executive director have been especially gratifying and reflect the dedication of our staff, partners and board. Just to name a few of those successes:

- MSHDA solidified its commitment to addressing the needs of Michigan's homeless by creating a new division, Supportive Housing and Homeless Initiatives.
- Seventeen workgroups consisting of MSHDA internal staff and outside partners were established to design a five-year strategic plan for Michigan's affordable housing community.
- The MSHDA board has approved a New "Tipping Point Neighborhood Initiative" focused on market-rate, mixed income new construction housing development designed to keep young professionals and workers in the creative economy from leaving Michigan's urban centers.
- And MSHDA awarded \$3.2 million to Habitat for Humanity for the Jimmy Carter Work Project.

- We are especially proud of the \$4 million Domestic Violence Housing Initiative recently approved by the board. It will be among the first of its kind in the nation to provide supportive housing to homeless domestic violence survivors.

We also are pleased to announce that programs and services dedicated to community and downtown revitalization will continue as a result of the successful transition of the Michigan Economic Development Corporation's (MEDC) Community Assistance Team (CATEam) to MSHDA. New programs geared to downtown revival will further enhance these programs and services, and will be announced at the 2006 Downtown Revitalization Conference April 4-6 in Kalamazoo. Visit the Web site at www.michigan.org/downtownconf.

Other exciting news breaking on the horizon includes the governor's "Cities of Promise" initiative that should be a source of great hope for some of Michigan's most vulnerable cities. Benton Harbor, Flint, Detroit, Hamtramck, Highland Park, Muskegon Heights and Saginaw are the targeted cities where we are encouraging city-specific partnerships to bring together the best resources of the local community with those of several state agencies, including MSHDA and the Department of Human Services as the lead organizations. In Highland Park, the partnership committee has been meeting for a few months and has already identified and prioritized three signature projects, including the restoration of the historic MacGregor Library. Be sure and



Michael DeVos

look at the "before" photos on page 7 of the newsletter. Then stay tuned for the "after" photos. They should show great promise and striking improvements.

Another positive event in progress is the introduction of a new underwriting process that promises to be more streamlined, transparent, and responsive to outside partners. A MSHDA team of Marjorie Green (Multifamily), Donna McMillan (Asset Management) and Ted Rozeboom (Legal Affairs) will present the innovative program at the Michigan Housing Council annual meeting in May.

It has been a productive year for the affordable housing industry, thanks to all of you. I can only foresee more success and promise for the coming year as our common vision shapes us into one inclusive, warm affordable housing community. It's simply the right thing to do!

Burney Johnson Takes the Helm as MSHDA's Deputy Director

When Burney Johnson took the position of MSHDA's Deputy Director, it was a natural move given her background.

Johnson has a Bachelor's Degree from Fisk University in Sociology and Urban Planning and a Master's Degree in Urban Planning from Wayne State University. Her career experience in government at both the county and city levels provides her with formal training in urban planning and a host of skills and abilities in neighborhood revitalization.

When asked why she decided to leave local government and come to the state, Johnson replied, "The opportunities to do different things along with the chance to learn and grow were the main reasons, and when the opportunity knocked, I opened the door."

As Deputy Director, Johnson's vision for the Authority is to

improve upon existing programs and take them to the next level. In doing so, she plans to work closely with Executive Director Michael DeVos to create new divisions and services to further the organization and to improve on the delivery of products and services to its customers. It is also her desire to allow staff to grow in their positions in a way where responsibilities and experiences are combined to be meaningful and productive.

"This can be accomplished in a careful and thoughtful ways; through brainstorming to see what people are thinking and asking for staff input" she said "communication is the key to achieve these goals."

As a resident of Detroit, she plans on spending most of her work week in MSHDA's Detroit office where she can best serve Southeast Michigan.

"However, I plan to be in Lansing once or twice a week," Johnson said.

On a personal side, Johnson enjoys spending her private time with her daughter, Janesha, an 11 year old sixth grader and Girl Scout, and their pets, a dog named Frazer and a cat named Magic. On her off time, she enjoys reading, movies, music and sewing.

"Other than that, I like to hang with friends." Johnson said.



Bright Futures for MSHDA and Bankers

A Brief Interview with Mary Fowlie of LaSalle Bank

A lawyer/banker since 1981, Mary Fowlie has been a great partner to the Michigan State Housing Development Authority and Michigan's affordable housing

community. Most recently, Mary has been participating in the Michigan Affordable Housing Five-Year Strategic Planning process. Fowlie is serving on two committees —Homeownership and Lender Participation.

In the 5 Year Planning Process, what are the opportunities for MSHDA from your perspective as a banker?

Clearly there is lots of opportunity to communicate with the banking community across Michigan... helping the bankers understand that MSHDA loan products are competitive, a good source of revenue, and that communicating with MSHDA is easier than ever.

Are you saying that it was difficult to communicate with MSHDA?

Not necessarily, but many bankers perceive MSHDA as a complicated government entity. Anything that is done to dispel that belief and further improve communications is good, especially for the consumers that deserve the chance to improve their lives through homeownership.

Where are the best opportunities to improve the partnership between bankers and MSHDA?

I think the smaller banks that are doing home loans can be the

Continued on Page 9

February 2006 • Building Blocks



State Launches 2006 Cool Cities Grants & Planning Programs

Pre-Bid Workshop Scheduled for March 14

The launch of the third year of the Cool Cities grants and planning programs has been scheduled. Building strong cities is part of Governor Jennifer Granholm's comprehensive plan to grow Michigan's economy. Im-

proved cities can help attract job providers, in turn providing job opportunities in the state. A workshop will be held later in mid-March to help potential applicants better understand the resources available.



In Detroit, the Jefferson East Business Association built 45 new condominiums, renovated 18 apartments, and built 20 single-family homes

"Michigan's economic success is tied directly to our ability to attract and retain exciting new jobs and young workers who are prepared to compete in a global economy," Granholm said. "The Cool Cities initiative is a critical tool for achieving that goal. We need to be able to attract jobs and opportunities that will keep our children in Michigan."

Cool Cities will continue to offer a "Neighborhoods in Progress" designation, which awards recipients with \$100,000 catalyst grants along with priority access to existing state grant funds, loans, tax credits, or services that can help create vibrant, mixed-use neighborhoods.

The program was expanded in 2005 with new categories: Cool Cities Michigan Main Street, Cool Cities Blueprints for Michigan's Downtowns, and Cool Cities Blueprints for Michigan's Neighborhoods. Like the Neighborhoods in Progress, designees in these categories will participate in a State Resource Fair and receive the "Cool Cities Neighborhood" designation as well as special consideration for certain MSHDA programs.

"This initiative is an excellent example of what can happen when state agencies, local governments and development organizations cooperate," said MSHDA Executive Director Michael R. DeVos. "We are pleased to be among the many organizations contributing toward the success of this innovative program."

Michigan Economic Development Corporation President and CEO Jim Epolito added that the Cool Cities program is key to the state's overall economic development strategy.

Continued on Page 9

Cool Cities Pre-Bid Workshop Information

The pre-bid workshop will be held from 1:30 p.m. – 4:00 p.m. on Tuesday, March 14. No registration is necessary. Food and beverages are not allowed at the locations that are listed below. Contact: Elizabeth Armstrong, Cool Cities Collaborative, Michigan Department of Labor & Economic Growth, (517) 373-9097.

Michigan State University
Communications Arts & Sciences
Bldg., Room 145
(corner of Wilson & Red Cedar)
East Lansing, Michigan 48824

Grand Valley State University
Eberhard Center, Room 201-03
301 W. Fulton St.
Grand Rapids, Michigan 49504

Wayne County Community
College
Western Campus, Room B-215
9555 Haggerty Road
Belleville, Michigan 48111

Northwestern Michigan College
Les Biederman Building, Room 38
1701 E. Front St.
Traverse City, Michigan 49686

Northern Michigan University
West Science Building
Bresnan Room #2810
1401 Presque Isle Ave.
Marquette, Michigan 49855

Lake Superior State University
Library, Room 251
906 Ryan Street
Sault Ste. Marie, Michigan 49783

Note: An additional Detroit area site will be announced. Please check the website in the next few days for an updated list. Thank you.

MSHDA Approves Loan for Condominium Units

Creates Jobs and Keeps Young Professionals in Detroit

MSHDA has approved a Homebuyer Mezzanine Construction Loan for 75 condominiums aimed at luring young professionals to one of Detroit's most vibrant neighborhoods.

The Mezzanine Loan program is part of Governor Granholm's Tipping Point Neighborhoods Strategy, a plan to keep young professionals and workers in the creative economy from leaving Michigan's urban centers. Willys Overland Lofts is in the heart of Midtown Detroit, one of the most exciting urban centers in the state, and provides an excellent location for such a project, anchored by Wayne State University and the Detroit Medical Center. These and other cultural facilities make the lofts marketable to young professionals.

"Projects like the Willys Overland Lofts are key to our efforts in creating appealing places to live, work and play," Governor Granholm said. "MSHDA's contribution is to assure that the housing markets in urban neighborhoods are providing a range of choices that will attract market-rate homebuyers to choose urban living."

The Willys Overland building will be renovated in Detroit's Midtown neighborhood with the help of a \$3 million loan from MSHDA, resulting in 75 for-sale condominiums.

"The Willys Overland renovation is an integral part of the city's efforts to revitalize the entire downtown, and we are pleased to be a part of this exciting project," MSHDA executive director Michael DeVos said. "By providing this loan, we are demonstrating our commitment to the redevelopment and success of Detroit."

DeVos added that nearly 300 year-long jobs in construction and related trades, crucial to the city's economic future, will be created in keeping with the governor's Jobs Today, Jobs Tomorrow initiative.

The Willys Overland building is located on Willis Street between Cass and 2nd Avenue. Neighbors include many distinctive shops, pubs, and eateries including Avalon Bakery, Mario's Restaurant, and Traffic Jam and Snug.

Continued on Page 8



The Willys Overland Lofts will consist of 75 for-sale custom condominiums

Michigan Magnet Fund Will Create Jobs, Spur Economic Development Across Michigan

Governor Jennifer Granholm has announced that as a part of her Cool Cities Initiative the Michigan Magnet Fund (MMF) has awarded more than \$49 million in federal New Markets Tax Credits to seven community development projects in the first round of funding.

The projects are expected to create more than 2,806 new jobs and spur more than \$585 million in private investment. In May 2005, the fund received \$60 million in federal tax credits through the Community Development Financial Institutions Fund.

"The Cool Cities Initiative is all about helping Michigan's neighborhoods become exciting places to live, work, and raise a family," Granholm said. "These tax credits make possible projects that will create new downtown and neighborhood developments and job opportunities for families."

The MMF, a partnership between the Michigan Economic Development Corporation, MSHDA and the Great Lakes Capital Fund, is a nonprofit Michigan corporation governed by a 19-member board of directors. The partnership will use the tax credit allocation to help finance community development projects in targeted communities across the state.

"These projects are the catalyst that will help transform their neighborhoods into places that people will actively seek out to live and work," MSHDA Executive Director Michael R. DeVos said.

For a list of the winning projects, visit: www.michigan.org/medc/news/combo.asp?ContentId=AE552FBE-2108-4322-A98C-B661FE7A1717

Improving the Lives of Michigan Citizens



Lender Works with MSHDA to House Single Mother

By Ashley Mead,
Communications Coordinator

As a local lender, Pete Burnaford has helped a number of families through the homeownership process by working closely with MSHDA. Many families who could not afford their own home were approved for a MSHDA loan with his help. Burnaford began his career on a heart-touching case that has kept him working hard to help house those in need.

About 15 years ago a young single mother in the Mount Clemens area was looking for a small suitable home. She was living in poverty with her three-year-old daughter and after meeting with a Realtor, they came to Burnaford at Flagstar Bank for additional assistance.

After reviewing her history he found that she was a food server making minimum wage; however,

she had decent credit. Upon his arrival at Flagstar he found some information about the MSHDA programs and began working diligently to find her a suitable home.

"After visiting her apartment and seeing the bullet holes in the ceiling and the conditions under

"This was one of the most rewarding experiences I've had as a lender."

which she and her daughter were living, I became passionate about this case," said Burnaford.

Once the initial stages had been completed, Burnaford met with the mother and her daughter at the Realtor's office. During that meeting she told her daughter, "If Mr. Pete can get us a house, a few Christmas presents will be under the tree this year." The little girl's only wish was to get a kitten for the holidays.

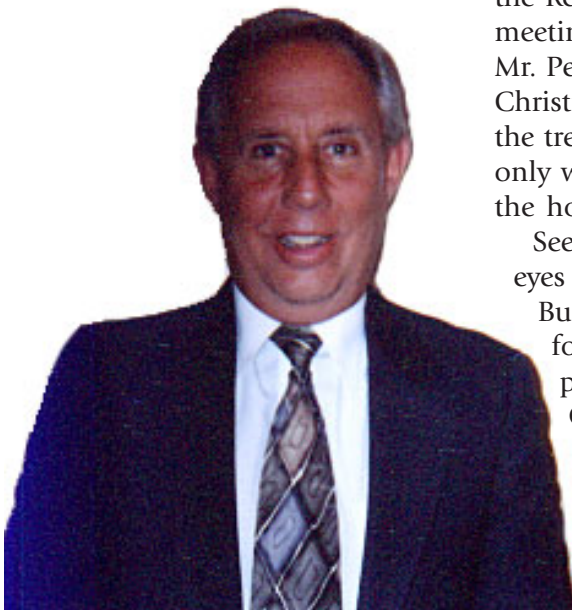
Seeing the desperation in the eyes of this small family, Burnaford and the Realtor fought hard to get her approved for a MSHDA loan. Once the approval was processed, she was able to move into a place called Eastpoint.

Both Burnaford and the Realtor attended the

closing and took pictures of the mother and daughter in front of the sold sign. Since her friends and family had been skeptical that she would actually be able to have a home, she wanted photographic evidence to prove that she in fact could succeed. Immediately after the closing, Burnaford and the Realtor went to the Humane Society and picked out a kitten for the little girl.

"This was one of the most rewarding experiences I've had as a lender," said Burnaford, "and it was my first as well."

Over the last 15 years he has done approximately 20 MSHDA loans per year, and when asked why he puts so much effort into it Burnaford said, "Because I see this story over and over. Young families get into homes they never thought they could get into without the assistance of a lender and the MSHDA programs."



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www.housingconference.org
for more information.



Continued from Page 1

By encouraging city-specific partnerships that bring together the best resources of the local community with those of several state agencies including MSHDA, a city's highest priorities can be addressed and expedited.

The Cities of Promise are those that are experiencing sometimes devastating conditions because of declining population, extreme poverty, loss of industry and jobs, crumbling infrastructure, and blighted neighborhoods. In Highland Park, the partnership committee has been meeting for a few months and has already identified and prioritized three signature projects including the restoration of the historic McGregor Library. Possible sources of grants and funding have been identified and plans for organizing the community to respond to the project are underway.

State agencies directly involved in the Cities of Promise initiative include lead agencies MSHDA and Michigan Department of Human Services. Priority assistance is also coming from Michigan Department of Transportation, Department of History, Arts and Libraries, the Land Bank Fast Track Authority and Wayne County.



Sanctuary in a community neglected. The Cities of Promise Initiative offers inspiration and hope that prayers for a safe and revived Highland Park will be answered.



MSHDA has earmarked funding for the demolition of blighted single family properties that are beyond recovery. Over 100 properties are already scheduled for demolition before June of this year, creating a clean slate for neighborhood redevelopment in the city's southeast quadrant.



The McGregor Library was built in 1923 in an effort to meet the cultural and civic needs of the burgeoning Highland Park. Today, it stands boarded up and neglected but will soon be restored to its former glory as a Cities of Promise signature project.



Many well-preserved historic homes and manicured streets can be found throughout Highland Park.

MSHDA Announces \$4 Million to Help Homeless Survivors of Domestic Violence

Continued from Page 1

data, approximately 613 women and children are sleeping in shelters each night."

The program is expected to fund four to eight projects statewide. Funds may be used for development costs associated with the new construction, acquisition/rehabilitation, master leasing of existing units, or homeownership to create permanent supportive housing for people who are homeless survivors of domestic violence.

"Accessing safe, stable and affordable housing is an often insurmountable barrier to escaping domestic violence, forcing victims to stay with or return to an abusive partner rather than find themselves and their children homeless," said Kathy Hagenian, Executive Policy Director of the Michigan Coalition Against Domestic and Sexual Violence. "This initiative will not only make life better for many survivors of domestic violence, it will help save lives."

Proposals will be evaluated and selected based on the following factors: ability to meet the stated Requirements to Participate; demonstration of local need; ability to target survivors of domestic violence who are homeless, underserved and may have special needs; capacity to administer and implement the project; project feasibility; strategy to incorporate input of the domestic violence survivor into the development of the project; and an effective Community Supportive Services Plan and Tenant Eviction Prevention Plan.

It is expected that projects funded under the new initiative will be brought to commitment by September 2006.

Governor Announces Loan for Condominium Units in Detroit



Willys Overland Lofts is located in midtown Detroit near Wayne State University and the Detroit Medical Center

Continued from Page 5

"The City of Detroit commends MSHDA, Midtown Development and DeMattia Investments II for their continued investment in the City of Detroit," said Douglass Diggs, director of development activities for the City of Detroit. "Willys Overland Loft project is consistent with the Mayor's primary focus of redeveloping Detroit's neighborhoods. It also takes us a step closer to meeting the overwhelming demand in Detroit for loft living."

Willys Overland Lofts will consist of 75 custom condominiums ranging in size from 982 square feet to 2,476 square feet. Approximately 20 units will have private rooftop terraces and another 13 ground floor units will have private patios. All residents will have access to a rooftop common area.

Amenities will include 14 to 16 foot ceiling heights, historically appropriate large pane windows, stained/colored concrete floors, granite kitchen countertops, in-unit storage space and stainless steel appliances. Additional upgrade packages will be available.

Under the Mezzanine Loan program, the maximum loan term is five years. The loan will be repaid with proceeds from the condominium sales.

Built in 1912, the original facility was home to Willys Overland Company, best known for the production of the WWII military Jeeps. Willys Overland was second only to Ford Motor Company in sales from 1912 to 1918. Around 1953, the facility was sold to Davidson Brothers Wholesale Dry Goods Store and has since been a Federal Department Store and warehouse for the Detroit Public Schools.

The sponsors of Willys Overland Lofts are Midtown Development Inc. and DeMattia Investments II, LLC. Initial occupancy is scheduled for March 2007. A model unit will be open for tours in time for the annual Detroit Festival of Arts June 9 – 11, 2006. Interested parties can reserve units or sign up for a mailing list by calling 313.832.2000 or 734.354.6125. Information is also available at www.willysoverlandlofts.com.

MSHDA Develops Strategy for Tipping Point Neighborhoods to Keep "Urban Pioneers" in Michigan

Continued from Page 4

"This is an opportunity to assist communities which have a commitment to neighborhood and downtown growth," Epolito said. "Through Cool Cities programs, these cities can achieve their economic priorities and become entrepreneurial hot spots."

A Pre-Bid Workshop has been scheduled for 1:30-4 p.m. on Tuesday, March 14th. The workshop will be held using interactive video conferencing at remote sites in East Lansing, Grand Rapids, Detroit, Traverse City, Marquette and Sault Ste. Marie. More information about the workshops is below and will be posted shortly on www.coolcities.com.

The workshop agenda includes a brief description of each of the programs and case studies of best practices. The workshop also includes a sampling of the state resources contained in the Resource Toolbox which combines more than 100 of the state's commu-

nity improvement grants, tax credits, loans and assistance programs into a single web based venue that can be used by cities and communities for revitalization projects.

"The Resource Toolbox made available by the Cool Cities initiative is critical for successful development in downtown, near-downtown areas and traditional residential neighborhoods," said Robert W. Swanson, acting director of the Department of Labor & Economic Growth, which oversees the Cool Cities program.

The notice of intent will be posted on www.coolcities.com the week of March 6th and the deadline for the notice submission is Tuesday, March 21. The state will invite applications for the Cool Cities program, which will be due Friday, May 5. The Cool Cities Neighborhood award designations will be announced mid-July.

Bright Futures for MSHDA and Bankers

A Brief Interview with Mary Fowlie of LaSalle Bank

Continued from Page 3

first to capitalize on a closer relationship with MSHDA.

Now that Standard Federal has changed to LaSalle Bank, we have heard that you are planning on retiring?

Well, not exactly. I am retiring from day to day activities but I will be staying on as a consultant to LaSalle. But what I am really excited about is a new role with the Michigan Bankers Association as Chairman of the Association.

Why?

In that role I am in a great position to continue some of the contributions to the affordable housing community that have been so important to me over the years. I expect to continue to serve on the board of Habitat for Humanity Michigan, continue my commissionership on the Michigan Manufactured Housing Commission, and of course my role at MBA. I anticipate working closely with MSHDA through that chairmanship.



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